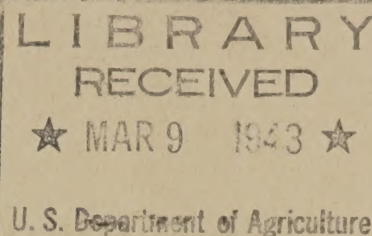


~~CONFIDENTIAL FOR ADMINISTRATIVE USE ONLY~~



1.95  
W26  
July-Sept.  
1942  
cop.1  
Conf.file

WARTIME ACTIVITIES OF FSA

1942 quarterly report for period July 1 to September 30, 1942)

With more than a \$64,000,000 cut in appropriations for the 1942-43 fiscal year, the Farm Security Administration buckled to the job of reaching the greatest possible number of small farmers with help they needed to increase Food for Freedom production.

As passed by both houses and signed by the President, the 1943 Agricultural Appropriations Bill earmarked \$169,625,000 for FSA, plus \$5,000,000 which was reappropriated from 1942 funds, to be distributed as follows:

Rural Rehabilitation Loans .....	\$97,500,000
Direct Appropriation .....	37,500,000
Tenant Purchase Loans .....	32,500,000
Tenant Purchase Administration .....	1,625,000
Liquidation and Management of Projects .	500,000
	<hr/>
	\$169,625,000
Reappropriation from 1942 Funds	5,000,000
	<hr/>
	\$174,625,000

This total compares with approximately \$239,000,000 available for the 1941-42 year.

Immediate reorganization within the Administration was necessary. Within a few weeks, 3,400 employees had been dropped from FSA payrolls and many jobs on Homesteads Projects were discontinued. Eighty-eight field offices were consolidated with those in adjoining counties. The number of regional engineering divisions was reduced to five. Henceforth, four regional offices will handle the work of all 12 regional finance divisions.

Meanwhile, FSA was charged with certain definite responsibilities for the Nation's food production program in a directive issued August 21, by Secretary of Agriculture Claude R. Wickard:

"I hereby charge the Farm Security Administration within the limits of available funds ... with the responsibility for bringing into full production the manpower and resources of all farm operators who are unable to achieve their full output through their own efforts or through existing normal channels of assistance."

Outlined was a 6-point wartime food program to be carried out by FSA.

Five days after the Secretary's directive reached his desk, FSA Administrator C. B. Baldwin sent a personal message to every employee, explaining the new



responsibilities of Farm Security in the life of a Nation at war and pointing out important changes in program emphasis. At the same time, in a letter to all regional directors, he outlined broad goals and specific measures to be undertaken.

\*\*\*\*\*

### Wartime Trends in Rehabilitation Program

For the duration the aim of rehabilitation for low-income farm families will be submerged by the aim of getting increased production of food and fiber from the Nation's small farms, although FSA officials believed that, "to a large extent, both objectives would be achieved simultaneously."

Only one kind of loan is now made under FSA's Rural Rehabilitation program and it is made for the sole purpose of putting small farmers on the Food for Freedom firing line. As formerly, loans are restricted to those farmers who can't get credit anywhere else. Otherwise, eligibility is based largely on the family's potential capacity to make the greatest production increases of vital war foods. With FSA credit, a farmer buys brood sows, baby chicks, productive cows that are headed for market or heifer calves. He uses it for whatever he needs as a prop to increased production--for good seed, implements or repairs, workstock, material to build a pig pen or patch up the barn, for improvements to protect family health or pay for needed medical care.

"On-the-farm" education goes along with every loan that is made, and is directed at methods that will result in production and marketing of the greatest quantities of food and fiber in the shortest possible time. To leave commercial products for soldiers and lend-lease shipments, as well as to relieve the strain on the Nation's transportation system, all FSA borrowers produce food for themselves and feed for their livestock. To increase crop production in spite of fertilizer shortages, they plant cover crops and follow soil-building systems of rotation. They will cut down on production of nonessentials and concentrate on getting more milk, meat, eggs, livestock by-products, oil crops, sugar beets, vitamin-loaded vegetables.

What four families in Coal County, Oklahoma have done is an example of how thousands of small farmers are coming through with Food for Freedom as a result of FSA help. They are the John H. Thompsons, the Claude H. Harkinses, the William L. Hankinses and the Noel E. Powells.

The Thompsons had 8 hogs last year; this year 16. They raised 1,100 chickens this year, and boosted egg production. Peanuts, 5 acres last year, 23 acres this year.

Mr. and Mrs. Harkins tripled peanut acreage, doubled the number of their pigs, and increased the poultry flock from 150 to 350. Mrs. Harkins canned more than 400 quarts of vegetables, fruits and meats for her family of three.

The Powells obtained a poultry unit through an FSA loan last year, and raised 300 chickens. With 400 this year they sold more eggs. They also increased



milk production, and planted 5 additional acres of peanuts. Mrs. Powell canned more than 1,000 quarts of food.

With available funds FSA can reach about 80,000 small farmers with loans and guidance, besides furnishing additional help needed by those already on the program. Surveys of actual production have not been completed, but if 500,000 FSA borrowers are able to fulfill their 1942 spring production pledges, they will add to the Nation's stockpiles the following increases over their 1941 output:

<u>Commodity</u>	<u>Increase over 1941</u>
Milk	1,150,000,000 lbs.
Pork	235,000,000 lbs. (dressed wt.)
Eggs	77,000,000 doz.
Soybeans	7,000,000 bu.
Tomatoes	7,500,000 bu.
Peanuts	2,500,000 bu.
Beef	34,000,000 lbs.

\*\*\*\*\*

#### Basic Farm Tenure Changes May Be In Store

Wartime agriculture faced a strange paradox. While thousands of small farmers had labor to spare, many larger operators were going out of business for lack of it. On the one hand, large families--hard workers--were cultivating land so poor or acreages so small they could do no more than eke out a bare living for themselves. On the other hand, "farm for sale" ads were appearing in newspapers all over the country, put there by owner-operators entering war industry or military service or by owners who couldn't find tenants or hired hands to operate their places.

Secretary Wickard proposed a solution. Why not move farm families from marginal lands to better farms? Such a move, he reasoned, not only would relieve the farm labor shortage but also would be a step toward abolishing the "rural slums of America." In an address before the National Catholic Rural Life Conference at Peoria, Illinois, October 5, he said:

(Many) "of the Nation's underemployed farmers need to make a fresh start on better land and on larger tracts in order to have a real chance of farming successfully and productively.... In normal times the task always had proved too much for us. The great problem was: Where will the people go?

"Now, under the impetus of war, there is a place for them to go. More than that, there is a great need that they go there....Any family that moves to better land and farms it well, will be making a direct contribution to winning the war."



The Farm Security Administration has the organization and the experience necessary to handle such a program as the Secretary suggests. Not only has the agency helped nearly a million farm families change their farming ways and increase production. It has also helped several thousand who moved from marginal land to get a new start on good land in homestead communities, and has helped many other thousands to become farm owners and achieve a fair degree of prosperity. Its field force of farm and home management supervisors would be on hand to guide resettled families into farming practices best suited to local soil and climatic conditions.

\*\*\*\*\*

#### FSA Aids in Labor Mobilization Program

As the 1942 harvesting season drew near, spotted labor shortages developed. Agricultural workers had found a place in our wartime economy that had not existed for them in peacetime. Thousands went into armed forces, other thousands found better-paying jobs in war industries. Almost overnight, the unwanted migrant families of the 1930's became the most sought-after group in the country. Americans learned that you cannot shove people out on the road and expect to call them back when you need them. Secretary Wickard spoke for the Nation recently when he said, "We must resolve that during this war and after, farm workers who follow the crops shall never again face the misery some of them have encountered in recent years."

Few, if any, crops were lost for want of workers in 1942. In many areas school children were excused from classes, business men shut up shop, and all went to work in the fields. But the most significant move to relieve spotted shortages came from a Government program of labor mobilization, a program which is expected to be expanded and strengthened next year.

The program was announced August 7 by Secretary Wickard and Chairman of the War Manpower Commission Paul V. McNutt, to be carried out with money allocated to the Department of Agriculture from the President's emergency funds.

Briefly, the plan consists of recruiting and transporting workers from areas of labor surplus to areas of labor shortage. If workers cannot be obtained from within the U. S., they may be brought in from Mexico under an arrangement between the two Governments.

The U. S. Employment Service recruits the workers and FSA arranges for their transportation, meals en route, necessary medical attention and housing. If FSA migratory labor camps are not available, growers must provide housing approved by FSA. Growers also guarantee the workers employment for at least 75 percent of the time for which their labor is contracted, at prevailing wages in the community. In no case are wages to be lower than 30 cents an hour or its equivalent on a piece-work basis. Five dollars per worker is paid by growers as their share of the transportation cost, and the rest is paid by the Government. Under this program, more than 3,000 Mexican workers were to



be transported into strategic harvest areas in the western part of the United States during the fall, and more than 3,000 workers in this country were to be moved to various specialty crop areas for the fall harvest.

\*\*\*\*\*

### War Spurs Cooperative Activities

Temporary Rationing Order B, issued by the War Production Board to go into effect September 17, established a procedure U. S. farmers had been expecting. Farm machinery and equipment will be rationed to assure its greatest possible contribution toward meeting farm-production goals.

Only by sharing equipment with their neighbors can small farmers expect consideration from rationing boards, for only by sharing equipment can they use it full time. Quick to realize their best chance to get what they need to increase production is to stretch further what they already have, many small farmers began to convert individually-owned machines to cooperative use. In the Great Lakes area a combine formerly owned by one farmer is now being used by four. In the Midwest, an FSA borrower sold a one-third interest in a machine to each of two neighbors. In Beadle County, South Dakota, another partnership group took over a thresher previously operated by one man. In the far West eight men contributed \$10 each to buying out a spreader which had been serving only one farm.

Many small farmers already had barricaded themselves against the impact of the rationing order. A June 30 report showed that nearly 200,000 were members of more than 17,000 small FSA-started farm equipment and sire cooperatives. Machinery thus purchased is now being used on an average of about eight farms instead of one. Sires are serving an average of nearly 17 small dairy herds.

Other forms of cooperative activity expanded. By October 1, 1942, 1256 county-wide purchasing and marketing associations had been organized. By pooling their orders to buy in large quantities, small farmers were stretching their purchasing power, getting more supplies necessary for production increases than would be possible through individual orders. By marketing their products collectively they were saving dollars as well as war-vital rubber.

Because efficient cooperatives are of vital importance in enabling farmers to meet the demands of the food program with wartime shortages and restrictions, FSA officials expect continued rapid expansion of all types of cooperative activity.

\*\*\*\*\*

### Changes in Farm Ownership Aids

FSA's Tenant Purchase Division started the fiscal year with a new name and added responsibilities. To be known as the "Farm Ownership Division," it



will administer the "Farm Ownership Program," which covers:

1. Tenant purchase loans under terms of the Bankhead-Jones Farm Tenancy Act to a limited number of tenants, sharecroppers and farm laborers for the purchase of family-size farms.
2. Farm enlargement loans to families with farms too small to provide a living, so that they can get more land, refinance existing mortgages and make improvements necessary for economic family-type operations.
3. Farm development loans to eligible farm families for proper financing, for development of land and water resources, and for farm and home improvements necessary to make their farms provide an adequate living.

A new procedure gives each FSA regional director the responsibility of designating counties or parishes in which the Tenant Purchase program is to be carried out in the region. Formerly the counties were designated by the Secretary of Agriculture upon the recommendations of State Farm Security Advisory Committees.

FSA officials believed about 7,000 tenant purchase loans could be made from this year's \$32,500,000 loan authorization (representing a cut of \$17,500,000 from the previous year's loan authorization of \$50,000,000.)

The program was affected by revision of War Production Board Order L-41 which placed additional restrictions on wartime construction and repair of farm dwellings. With a \$200 ceiling on residential construction (instead of the former \$500 ceiling announced last spring) FSA's tenant purchase loans will be limited mostly to the purchase of farms with existing buildings which can, within L-41 Order restrictions, be made habitable for the duration. That such farms can be found is indicated by reports that an unprecedented number of good, productive farms are up for sale or rent throughout the country, either because the operators themselves or because their sons or hired workers have left for industrial jobs or military service.

Meanwhile, to conform with the first L-41 Order, FSA engineers had blueprinted plans for temporary \$500 residences which could later be completed, added to or converted into other farm outbuildings. In cases where farms already had been purchased with the expectation of constructing such buildings, priorities would be requested.

\*\*\*\*\*

#### FSA Non-Farm Housing Goes to NHA

By October 1, all 41 FSA nonfarm resettlement projects had been turned over to the National Housing Agency in accordance with President Roosevelt's Executive



Order 9070 issued last February 28. Except for the three suburban "Greenbelt" communities which were included in the transfer, these 41 projects were known as "subsistence homesteads" which had been started by former agencies and turned over to FSA for management. FSA agreed to continue supervision of cooperative associations which had been set up on the projects and to continue farm and home management supervision on those projects where it had been provided in the past. FSA also will service loans that have been made to project residents.

Under the same Executive Order all completed FSA defense housing projects also had been turned over to NHA by October 1, with the exception of one trailer camp. Projects already under construction will be completed before the transfer is made.

FSA had performed an important service in putting up temporary housing facilities for war workers who over-ran industrial cities as soon as the United States began to expand production. In the transfer to NHA were included dormitories to house 10,621 persons; portable houses for 1,166 families and 10,777 family trailer homes.

\*\*\*\*\*

#### New Rural Medical Program Is Tried

Probably the century's most significant development in the field of rural health is an experimental medical care program to be carried out by the Department of Agriculture this year in six United States counties. The idea is to find a pattern for better distribution of medical services in rural areas. As a testing ground, the following counties were selected: Hamilton County, Nebraska; Wheeler and Cass Counties, Texas; Nevada County, Arkansas; Newton County, Mississippi and Walton County, Georgia.

FSA's medical care program for low-income farm families had served as a trail-blazer for the Department's action. Started in 1936, FSA plans now reach into more than a third of all counties, with a membership (limited to FSA borrowers) of about 114,000 farm families, or over 600,000 persons. Members prepay annual fees and pool them to pay doctor and hospital bills for the group.

Pointing to the success of the FSA program, county committees of local farmers and agricultural leaders were unanimous in their appeal to the Department for "expansion of medical programs," for "more widespread rural health services," and similar requests, when asked what could be done to help farm families better meet the impacts of war.

Because of its experiment, the Farm Security Administration was called on to serve in an advisory capacity for the Department of Agriculture in getting its experimental program off to a start. The new program is not restricted to FSA borrowers but is open to all farm families in a county where it is being tried. Briefly, it works like this: Interested farmers organize an incorporated association which operates under a set of by-laws and whose members elect



a Board of Directors to have full power in the appointment and control of the paid executive and his staff. Professional groups set up their own fee schedules and select their own reviewing committees which have full authority to approve or disapprove all professional bills.

An annual fee--in most counties around \$54--is set for each family. Toward this fee, the family pays six percent of its net cash income, but in no case is individual contribution to be less than a minimum charge. The difference between the family's contribution and the annual fee is paid from a grant of Federal funds. The amount families pay increases as their incomes increase, so that those who can pay the total charge out of six percent of their net cash incomes will do so.

Each family chooses its doctor and dentist from among those who participate in the program. Services to be included are:

1. Physicians' services, including physical examinations, obstetrical care, home and office calls, with the restriction that home calls will be made only in strict emergencies, treatment of emergency and chronic illnesses, fractures, x-ray and laboratory services, vaccinations and immunizations, and minor surgery.
2. Surgical and specialists' care, covering all major surgery and including emergency and corrective services.
3. Drugs, prescribed in accordance with U. S. P. and N. F. standards. There is also a drug quota limit of \$25.00 per year per family, unless otherwise authorized by the Board of Directors.
4. Hospitalization authorized as necessary by the attending physician, for a maximum of 10 days. Included are special diagnostic and therapeutic procedures such as basal metabolism tests, electrocardiograms, oxygen therapy, blood transfusions, and x-ray and radium treatments, such as are a part of the service provided by the available hospital services; also routine drugs, dressings, x-rays, ordinary nursing care. Anesthesia for both minor and major surgery is included, as well as use of the operating room.
5. Dental care, including examination and cleaning, x-ray when necessary in examination, extractions, prophylactic treatment. Special emphasis is to be given dental protective work, especially for children.

After reviewing operations of the program in Hamilton County, Nebraska, Frank W. Cyr, Professor of Education at Columbia University, had this to say:

"... this experiment comes the nearest to solving the problem of medical care in rural areas of any which I have seen."



FSA's Place In Our Democracy

While people all over the country are taking stock of the shortcomings as well as the benefits of U. S.-practiced democracy, James C. Derieux gives a clear-cut picture of FSA's work in distributing to low-income people an opportunity to "participate usefully in democratic society." In an article entitled "Big Discovery in the South" and published in the August issue of Collier's magazine, he says, in part:

"This (the FSA program) was relief designed to do away with the need for relief. It was a peacetime farm plan, but it fits snugly into wartime needs. Practically all of the hundreds of thousands of low-income rehabilitation families have contracted to make good in the Food for Freedom program...

"Something is happening (in the South) to these people, something profoundly good for them, for the South, and for the Nation. You can see it in vegetable gardens where formerly no gardens grew, you can see it in bright curtains at cabin windows, in food on shelves where formerly there were not even any shelves, and no need for them, in decent work clothes, in fat mules, in cow pastures, chicken houses, screened doors, pigpens--and you can see it in eyes that are brighter than they were, and hear it in the merrier laughter of children....

"Changes, as a rule, are not effected within a generation. Folkways and value systems are altered slowly, and between generations. Anyway, that is what some sociologists say. ... The rehabilitation farmers, however, appear to have upset this sociological theory. ... Now many thousands of the grownup rehabs, some of whom are old, have changed their farm ways, cook ways, table ways, dress ways, viewpoints, and they have lifted their sights. ...

"The war, of course, has affected the Farm Security families. ... Fundamentally, however, the meaning of Farm Security discoveries remains the same--men, even those of the lowest economic status, have desire and capacity to participate usefully in democratic society. This is the great discovery, with significance in time of war and in time of peace."

U. S. Department of Agriculture  
Farm Security Administration  
December 2, 1942



